

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

O.J.APPEALS NOS. 45, 46 AND 47 OF 1998

in

RECTIFICATION APPLICATION NOS. 1, 2 AND 3 OF 1997

For Approval and Signature:

Hon'ble MR.JUSTICE R.BALIA. and
MR.JUSTICE A.R.DAVE

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1. Whether Reporters of Local Papers may be allowed to see the judgements?
2. To be referred to the Reporter or not?
3. Whether Their Lordships wish to see the fair copy of the judgement?
4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder?
5. Whether it is to be circulated to the Civil Judge?

PATEL FIELD MARSHAL AGENCIES

Versus

P.M.DIESELS LTD.

Appearance:

MR SHAILEN BHATIA, MR. DHEERAJ BHATIA AND MR YJ TRIVEDI
for Petitioners

MR SB VAKIL WITH MR. Y.J. JASANI AND I.M. CHAGLA,
SR.ADVOCATE for Respondent No. 1

DS AFF.NOT FILED (N) for Respondent No. 2, 3

CORAM : MR.JUSTICE R.BALIA. and

MR.JUSTICE A.R.DAVE

Date of decision: 25/11/98

ORAL JUDGEMENT

(Per R. Balia, J)

1. These three appeals are by same set of appellants, namely, Patel Field Marshal Agencies and Patel Field Marshal Industries against the same set of respondents, namely, P.M. Diesels Ltd. and two others, the Registrar of Trade Marks and Asst. Registrar of Trade Marks. The respondent P.M. Diesels Ltd., the registered proprietor of three trade marks, common feature of which is words FIELD MARSHAL and another trade mark using letters FM. The appellants had filed three separate applications in respect of each of trade marks for rectification, under Sections 46 and 56 of the Trade and Merchandise Marks Act, 1958 (Hereinafter called 'the Act of 1958') in this court. The three applications have been refused to be entertained by this court by learned Single Judge, inter alia, on the ground that the applications are barred by time and also on the ground that the applicant in each case is not entitled to maintain the applications. The order of learned Single Judge dated 15.4.1998 by which the aforesaid three applications have been rejected is subject matter of appeal in all the three appeals. In the circumstances, we have heard the same together and propose to decide by a common order.

2. The facts necessary for the present purposes briefly stated are that respondent No.1 secured registration of its mark in question vide registration No. 224879, 252071 and 252070 dated 16.10.64, 4.10.68 and 4.10.68 respectively. The present appellants were served with a legal notice dated 23.7.1982, calling upon the appellants to desist from using the trade mark MARSHAL which is being used by them, and forms part of the word forming part of the registered trade mark of respondent FIELD MARSHAL, which was replied to by the appellants. A suit was filed by respondent No.1 being Regular Civil Suit No. 1612 of 1989 in the High Court of Delhi for infringement of respondent's trade mark. The applicants filed their written statement to the said suit. Though the petitioner has stated in para 22 of his rectification that the petitioners have filed a written statement, the petitioners seek leave to refer and rely on the averments made in the written statement so filed, in the present proceeding, whenever the same is required, a copy of the written statement is being filed in the proceedings, the same appears to have not been filed along with the rectification application which has now been made available by learned counsel for the respondent according to which the applicants raised dispute about validity of plaintiff's trade mark in that suit, and

issues have been framed in the suit to which we shall refer later on.

3. Before the learned Single Judge, two questions posed for decision at that stage were whether present three rectification applications are barred by limitation and whether present proceedings are misuse of the process of law and not tenable in law. The applicant had contended that law of limitation is not applicable to proceedings under the Act of 1958. It is urged that Limitation Act by itself does not apply, and no period being prescribed for making rectification application, no period of limitation can be envisaged for holding the present rectification application as barred by time. On the other hand it has been contended by learned counsel for the respondent that no specific period having been prescribed under the Act of 1958, as the application has been made to High Court which is a civil court, Limitation Act would apply to all applications made to this court and in the absence of any specific provision, residuary Article 137 of the Limitation Act would govern the issue of limitation.

4. The applicants also contended that even if limitation Act were to apply, cause of action for filing rectification application is a continuing cause of action, and therefore period of limitation starts anew every day during the continuance of wrongful entry in the register of trade marks and therefore the rectification applications filed before this Court are within limitation. The learned Single Judge concluded that the applications are barred by law of limitation by holding that no recurring cause of action is arising in favour of petitioners-applicant's and also that on account of applicants' failure to raise a contention in their written statement about the invalidity of trade mark when they were served with the suit summons disentitles them to raise this plea now.

At the outset, we may state that statement that the applicants-appellants had failed to raise a contention in the written statement about the invalidity of registration of mark in favour of respondent is an incorrect statement of fact. It appears that though the applicant has spoken unequivocally of having filed written statement and made a statement of filing the written statement along with his application has not filed a copy of written statement along with his application and this finding has been recorded by drawing adverse inference about non raising of the plea, without

calling upon the applicant to produce the copy of written statement, filed in the suit before Delhi High Court.

By making direct reference to the written statement submitted in Suit No.1612 of 1989 in High Court of Delhi and relying on averments made therein, the applicant has sought to incorporate the averments made in his written statement by reference. When he himself was offered to file the proceedings, the written statement filed in those proceedings in order to find out for the purposes of considering the questions raised at the stage of entertaining or rejecting the application in limine on the ground whether it is barred by some provision of law, the court ought to have asked the applicant to produce written statement, which has been made part of pleading before drawing any adverse inference on that ground and holding it against him at that stage, to enable the court full reading of the pleadings.

6. Be that as it may, we notice on perusal of the notice and written statement, both of which have been made available to court that the applicant did raise plea about invalidity of registration of plaintiff's mark in the suit, in para 10 of written statement. In para 10, it has been unequivocally stated that 'the plaintiff's trade mark is invalid and is liable to be rectified.' Obviously, to the extent learned Single Judge says that applicant is not entitled to maintain his petition because he has failed to raise the contention in his written statement in response to summons of suit' is not right. However, the question shall have to be examined on the basis what is the effect of raising of such plea in the written statement by the defendant in a suit filed by the registered proprietor of trade mark for infringement.

7. The relevant provisions of the Trade and Merchandise Marks Act, 1958 (hereinafter called the Act) are that Section 56(1) empowers the High Court or the Registrar to vary registration and to rectify the registration on the ground of any contravention or failure to observe a condition entered in register in relation thereto on an application being made in that regard. Subsection (2) enables a person aggrieved by the absence or omission from the register of any entry or by any entry made in the register without sufficient cause, or by any entry wrongly remaining on the register, to apply in the prescribed manner to a High Court or to the Registrar. On such application being made the forum before whom such application has been made may make an order for making, expunging or varying the entry or as he

may think fit. Subsection (3) clarifies that the High Court or the Registrar in any proceedings under Section 56 decide any question that is necessary or expedient to decide in connection with rectification of register that is to say all incidentals and ancillary questions fall within the scope of proceedings under Section 56. Subsection (4) of Section 56 empowers the High Court as well as the Registrar to exercise such power Suo Motu after giving notice to the affected parties in the prescribed manner. So far as Section 56, by itself is concerned, it confers concurrent jurisdiction on High Court as well as on Registrar of Trade Marks in the matter of rectifying entries made in the register, whether by way of cancellation or variation under subsection (1) or making, expunging or varying such entry under subsection (2). Section 107 of the Act provides that where in a suit for infringement for its registered trade mark, the validity of registration of the plaintiff's trade mark is questioned by the defendant or where in any such suit the defendant raises a defence under clause (d) of subsection (1) of Section 30 and the plaintiff questions the validity of the registration of the defendant's trade mark, the issue as to the validity of the registration of the trade mark concerned shall be determined only on an application for the rectification of the register, and notwithstanding anything contained in Section 46, subsection (4) of Section 47 or section 56, such application shall be made to the High Court and not to the Registrar. The effect of this provision is that once a suit is instituted for infringement of a registered trade mark and plea as to invalidity of registered trade mark is raised, the Registrar is divested of his authority to entertain any application to that effect thereafter, inasmuch as issue as to the validity of registration raised in the suit is then required to be determined by High Court notwithstanding anything contained in Section 46(4) read with Section 47 or Section 56. Thus once a suit has been filed and plea of invalidity has been raised, the forum for making rectification application and its dealing is governed by Section 107 and not by Section 56. Section 108 provides the procedure to be followed by the High Court, on an application for rectification. Inter alia, it provides that such application is to be heard by a Single Judge of High Court. The order passed by learned Single Judge is made amenable to appeal as a matter of right before a Division Bench in the same High Court, and subject to the provisions of the Act and Rules made thereunder, the provisions of Civil Procedure Code are applicable to proceedings before the High Court in the matter of rectification application. The Registrar is ordained to

act in accordance with directions contained in the decision of the High Court whether initially or finally that may be issued on appeal by Division Bench of the High Court or by the Supreme Court as the case may be.

Section 111 which deals with the raising of issue as to invalidity in the course of a suit for infringement reads as under:

"111. Stay of proceedings where the validity of registration of the trade mark is questioned, etc. - 91) Where in any suit for the infringement of a trade mark -

(a) the defendant pleads that the registration of the plaintiff's trade mark is invalid; or

(b) the defendant raises a defence under clause (d) of subsection (1) of Section 30 and the plaintiff pleads the invalidity of the registration of the defendant's trade mark;

the court trying the suit (hereinafter referred to as the Court), shall, -

(i) if any proceedings for rectification of the register in relation to the plaintiff's or defendant's trade mark are pending before the Registrar or the High Court, stay the suit pending the final disposal of such proceedings;

(ii) if no such proceedings are pending and the court is satisfied that the plea regarding the invalidity of the registration of the plaintiff's or defendant's trade mark is Prima facie tenable, raise an issue regarding the same and adjourn the case for a period of three months from the date of the framing of the issue in order to enable the party concerned to apply to the High Court for rectification of the register.

(2) If the party concerned proves to be Court that he has made any such application as is referred to in clause (b)(ii) of subsection (1) within the time specified therein or within such extended time as the Court may for sufficient cause allow, the trial of the suit shall stand stayed until the final disposal of the rectification proceedings.

(3) If no such application as aforesaid has been

made within the time so specified or within such extended time as the Court may allow, the issue as to the validity of the registration of the trade mark concerned shall be deemed to have been abandoned and the Court shall proceed with the suit in regard to the other issues in the case.

(4) The final order made in any rectification proceedings referred to in subsection 91) or subsection (2) shall be binding upon the parties and the Court shall dispose of the suit conformably to such order in so far as it relates to the issue as to the validity of the registration of the trade mark.

(5) The stay of a suit for the infringement of a trade mark under this section shall not preclude the Court making any interlocutory order (including any order granting an injunction, directing accounts to be kept, appointing a receiver or attaching any property), during the period of the stay of the suit."

8. A close look at the provision unfolds the scheme envisaged under the Act for deciding issue as to the validity of a Registered Trade Mark, where a suit for its infringement has been filed, by the forum prescribed for rectification of the entry in the Register of Trade Marks, before the trial of suit can proceed further and not by the court trying the suit. As we notice, under Section 107, it has been provided that on such plea being raised, the plea can be decided only in appropriate rectification proceedings. In conformity with that provision, Section 111 envisages that if proceedings for rectification of the register in relation to plaintiff or defendant's trade mark, as the case may be, are pending before Registrar or the High Court, further proceedings in the suit shall be stayed, until final disposal of rectification proceedings. If proceedings are not pending, and the plea regarding invalidity of registration of the concerned mark is raised, the court trying the suit is to be prima facie satisfied about tenability of issue, if it is so satisfied, it shall frame an issue to that effect and adjourn the case for three months, from the date of framing of the issue, in order to enable the party concerned to apply to the High Court for rectification of register. The consequence of the raising of issue are two fold. In case, the party concerned, makes an application for rectification within the time allowed, under subclause (ii) of subclause (b) of subsection (1), whether originally specified or

extended later on, the civil court trying the suit has to stay the further proceedings of the suit until disposal of the rectification proceedings. At the same time, if no such application is made within the time allowed, the party, who has raised the plea of invalidity, of the opponents registered mark, is deemed to have abandoned the issue. This provision permitting raising of an issue only on prima facie satisfaction of the court, with further requirement that the party, at whose instance an issue has been framed, is to apply for rectification before the High Court concerned, and failure to make such application within time allowed results in deemed abandonment of plea, leads us to conclude that once a suit has been filed, the rectification proceedings at the instance of either party to the suit against the other, must take the course envisaged under section 111, that is to say, if proceedings for rectification are already pending before raising the plea of an invalidity, that is to say, the attention of an appropriate forum having already been invited to that issue, those proceedings must first be continued, decision thereon to be obtained and then civil suit for infringement can proceed in the light of that decision. In case, no such proceedings for rectification are pending at the time of raising the plea of invalidity, the prosecution of such plea by the person raising it depends on prima facie satisfaction of the court, about the tenability of this plea. If the plea has been found to be prima facie tenable and issue is raised to that effect then the matter is to be adjourned for three months atleast to enable the person raising such plea to approach the High Court concerned, with a rectification application. In case, the rectification proceedings are not already pending, and the court is not even prima facie satisfied about the tenability of the plea raised before it, the matter rests there. In case, no issue is framed, the remedy of the aggrieved party is to agitate against non framing of the issue for that reason either before the court itself, or by taking recourse to remedial forums, by which the suit is governed. One cannot envisage that a person who satisfies the court prima facie about the tenability of its plea, would be required to file an application for rectification within a specified time, else will lose his plea by abandonment, but, in case, a man facing infringement suit, after raising the plea about invalidity of registration of mark fails even prima facie to satisfy the court about tenability of its plea, is left free to agitate the issue de hors the suit as independent cause of action at any time thereafter, as in the present case, it would make the provision of Section 111, wholly irrelevant, and nugatory.

9. We are not impressed with the contention of the learned counsel for the appellant that Section 111 operates only if a party raises plea of invalidity of the mark and seeks stay of the proceedings and not otherwise. Plea that unless the defendant raising the plea of invalidity wants the stay of proceedings, the provision has no application does not commend itself on the plain reading of the section itself. Two-fold consequence has been provided on raising of an issue about the validity. Firstly, the stay of the proceedings of the trial, in case, the opportunity is availed to get the issue decided through rectification application. If such issue is already subject matter of a pending rectification proceedings, the court cannot proceed until such issue is determined. If such proceedings are not pending the trial court has to raise an issue in the suit on being prima facie satisfied about its tenability, and give an opportunity to the objector to have resort to rectification application for which minimum of three months time is to be granted. That is to say trial is held up atleast upto that time. On filing such rectification application within time allowed, entails further stay of proceedings in the suit until rectification application is decided. Secondly failure to avail the opportunity results in abandonment of the issue. If the provision has been confined only to stay, proceedings of the suit at the request of the party concerned, subsection (3) of Section 111 sounds totally out of context. The stay of the proceedings in case rectification applications are already instituted or instituted thereafter as a result of framing of issue is not in the discretion of the court. The proceedings of the trial court must be stayed. It cannot proceed further in the very scheme of things. Where the issue as to invalidity has been raised, as per Section 107 it can only be decided by the High Court having jurisdiction to decide rectification application. Subsection (4) of Section 111 makes the finding of rectification proceedings binding on the court trying the suit for infringement. Without deciding the issue about invalidity, it is well nigh impossible to proceed with the trial of the suit in which plea as to invalidity has been raised, without deciding the fate of it. Either the issue is or is deemed to have been abandoned either by not pressing the framing of issue or on failure to initiate rectification proceedings within time allowed if the issue is framed. Therefore, it is not possible to accept the contention of learned counsel that Section 111 comes into operation only in case a person raising plea of invalidity of others' trade mark is desirous of

seeking stay of suit and it is in the discretion of the court, to stay the proceedings. The question of determination of issue and abandonment of it through non prosecution are interwoven in the scheme and therefore once the suit for infringement has been instituted by proprietor of registered trade mark, and a plea of invalidity has been raised by the defendant, the parties must adhere to follow the rectification proceedings as envisaged under Section 111 and not otherwise. It also does not commend that though for the purpose of suit a person raising the plea is deemed to abandon the plea, but independent of the suit, during the pendency of that very suit he is free to move rectification application and again plead for a judgment in the light of decision obtained outside the provisions of Section 111. In case a plea is deemed to have been abandoned, the only remedy of the party concerned may be to approach that very court, to extricate himself from the consequence of abandonment, or higher forum. Else, so far as the parties to the suit are concerned, they must be left to contest the suit as it stands without independent recourse to rectification application once right to have recourse to rectification proceedings has accrued in their favour and they abandoned it by dint of their own act.

10. It was also contended by learned counsel for the appellant in this regard that in case no plea is raised, in written statement, may be because by that time there may be no cause of action existing in favour of the defendant to raise such plea or for any reason, he raises this plea later on, the right of defendant to raise such plea later on shall be defeated, if the view as discussed above is accepted. We are not impressed by this contention either. If plea has not been raised at the earlier stage and has been raised at the later stage obviously it will be for the trial court at that time to entertain the plea on the basis of any amendment sought in the pleadings or by way of any other method. Once the suit for infringement of trade mark is filed scheme that is entwined between Section 107 and 111 becomes operative. Firstly, in that event jurisdiction of registrar to entertain such application is barred and application only lies to High Court. That is the effect of filing of suit simpliciter. If right to move rectification thereafter could be exercised independent of raising the plea, there could be no necessity to enact Section 107 for confining proceedings after filing of suit to a forum which is a civil court and whose decision operates as final. The issue of invalidity of mark, which is subject matter of suit cannot be tried by the

court trying the suit for infringement, but can only be tried through independent rectification application and that too not by making a reference by the court but on an application by the person aggrieved. That is to say if plea as to invalidity is not raised, no question of filing the application arise, and operation of Section 111 remains dormant. As soon as plea of invalidity is raised Section 111 would spring into operation. If the plea has been raised after approaching the rectification forum, clause (i) of subsection (1) may apply to such plea. If the plea is raised in the suit itself, for the first time the court would at that stage examine prima facie tenability of such plea and make an order of raising an issue if it is so satisfied and clause (ii) of subsection (1) would be operative and the objector shall get a right to move an application for rectification in accordance with subsection (2) of Section 111. In case, at this stage, civil court finds that there is no substance in the plea for the purpose of raising the issue in the trial, the resultant position would be the same as if the plea has been raised initially and found not tenable even prima facie to merit trial. The scheme is wholesome to avoid multiplicity of proceedings on frivolous grounds that withhold the proceedings which is founded on a trade mark which carried with it presumption of validity whether rebuttable under Section 31 or conclusive under Section 32.

11. We have also seen while examining the scheme of the Act that in the proceedings before the High Court, Code of Civil Procedure has been made applicable, subject to the provisions of the Act and rules framed thereunder. In this connection, an important variance may be noticed. While under the Code of Civil Procedure, issues are framed on the basis of pleading simpliciter without examining prima facie tenability of such issue on the basis of pleadings, in case of infringement suits issue relating to rectification is not left on the plain reading of pleadings, but, has been made subject to application of judicial mind to the material before the court which may include the documents and other material which both the parties may place before the Court before framing of the issues, in order to satisfy the court prima facie about tenability or non tenability of the plea, and the framing of issue has an element of judicial determination about the sustaining the of plea in the case.

In ordinary course, once a suit has been filed for infringement of a registered trade mark, if the validity of registered trade mark is not denied in the

written statement the fact is deemed to be admitted and trial proceeds on that basis. Later on the party failing to raise such issue cannot be heard to say that as no plea was raised, he is free to raise the same in later proceedings, without leave of court. Parties are also subject to rule that all pleas that could have been raised but not raised must be deemed to have abandoned the same. On this principle, rule of constructive res judicata is founded. A suit for infringement is not excepted from the rule as far as parties to the suit are concerned. Like in any suit, parties are not precluded from raising new plea on grounds which come into existence later on and was not in existence at earlier. This supports the plank that if plea of invalidity is not raised in the suit, it amounts to admitting the validity of registration of trade mark by the defendant. Then too that party is precluded from challenging the registration on grounds existing at the time of filing written statement or at the time when the defendant had opportunity to raise such plea in the suit in any other manner, but had failed to do so.

With these premises, we examine the question whether the applicant was entitled to file this rectification application, pending suit before the Delhi High Court. We have perused the material placed before us, namely, the plaint, written statement, and issues framed by the Delhi High Court, the correctness of which is not in doubt and the application and written statement filed in Delhi High Court as part of pleadings referred in the rectification application itself and which the applicant himself has committed to produce to be read as part of his statements in application, that specific plea as to invalidity of plaintiffs mark has been pleaded. The relevant issues which have been framed on the pleadings of the parties on 19.4.1994 read as under:

"On the pleadings of the parties, the following issues are framed:-

1. xxxxxxxx
2. xxxxxxxx
3. xxxxxxxx
4. xxxxxxxx
5. xxxxxxxx
6. xxxxxxxx
7. Whether the mark "MARSHAL" and the trading style containing the word "MARSHAL" amounts to infringement of the registered trade mark of the plaintiff?"
8. xxxxxxxx

9. xxxxxxxx
10. xxxxxxxx

No other issue is claimed. Let the parties file the additional documents along with the list of witnesses within 2 weeks. List the case before the D.R. on 20th May 1994 for admission/denial of the documents. Suit be listed for trial on 25th and 26th October 1995 and for scrutiny before the D.R. on 15th December 1994"

12. There is contention between both the learned counsel whether an issue as to invalidity of mark has been framed. Learned counsel for the appellant has been vehement in his contention that no issue as to validity of mark has been raised and, as no issue has been raised, the period of three months within which he has to approach High Court for making application would not operate in his case, and as there is no other period of limitation prescribed for application, he is free to make application at any time. On the other hand, learned counsel for the respondent has been equally vehement that Issue No. 7 is in effect an issue relating to invalidity of the mark because effect of that issue directly affect the validity of the mark. We need not go into this controversy whether the issue is relating to validity of the mark or not, inasmuch as in our opinion, this will not affect the conclusion to which we reach.

Assuming in the first instance as suggested by learned counsel for the appellant that no issue as to validity has been framed, we notice that the order framing issues clearly records that 'no other issue is claimed'. Thus notwithstanding there being a clear pleading by the defendant on the suit, as to the invalidity of the mark of the plaintiff, the defendant has overtly abandoned a plea as to invalidity by not insisting on any other issue than the one framed by the trial court. It needs no elucidation that a plea which is raised in written statement but trial of which is not insisted upon by not insisting to frame an issue to that effect, such plea must be deemed to have been abandoned by the party raising the same in his pleadings. It becomes a case of overt abandonment. Once a person has abandoned the plea as to invalidity of the mark, he cannot raise fresh plea de hors the suit by filing a rectification application and resume such plea. If for any reason the defendant in the suit felt that he does not have sufficient material or sufficient grounds to challenge the validity of the mark of the plaintiff when the issues were framed, but later on as a result of

discovery of fresh material giving fresh grounds to challenge the validity of the mark, the procedure open for the defendant was to have raised that issue before the trial court, invite its attention to that plea, for consideration whether prima facie the same is tenable and asked for framing of issues to that effect, so as to enable him to approach the rectification forum for getting a decision on that issue. But, he cannot independent of the suit, raise the issue in a rectification application at any time after he has failed to raise such issue when he had opportunity to raise the issue and achieve indirectly what he failed to achieve directly by his own omission. Raising of issue about invalidity of a registered mark and its trial by the concerned High Court has been directly correlated to the trial of suit for infringement by the statutory scheme making it mandatory requirement that once a suit for infringement of registered mark is filed, the plea as to invalidity of mark, if not already decided, must be decided by High Court, the finding as to invalidity given by the appropriate forum to be binding on court trying the suit and also that until such question as to invalidity of mark is decided, further proceedings in the suit are to remain stayed and also providing for circumstance in which alone issue about invalidity during the pendency can be tried, viz, either by continuing with the proceedings in that regard if the same are already pending or on prima facie satisfaction of trial court about tenability of plea, lest frivolous proceedings come into being during the trial arresting the progress of proceedings and also to avoid abuse by legal process by resorting to dilatory tactics that may be adopted by any litigant, first to allow a protracted trial and then to infructuate it by filing an application for rectification independent of proceedings to invalidate the judicial pronouncement in the suit which is inter parties.

13. On the other hand if we take it that issue No. 7 is an issue which covers the disputes about the validity of plaintiffs mark, than too the defendant ought to have approached the High Court having jurisdiction within three months, or any period that may have been extended by the trial court for the purpose of making an application, and not having taken recourse to that, the defendant must be deemed to have abandoned his plea in terms of subsection (3) of Section 111. The contention of learned counsel that no order has been made asking the defendant to file a rectification application within three months and therefore this cannot be considered as an order under subclause (ii) of subsection (1) so as to bring in operation of subsection (2) or subsection (3) of

Section 111, is also not sustainable. The requirement of law is not for directing the objector to make an application. The requirement is only to raise an issue and adjourn the trial of the suit for three months. It is left to the person raising plea of invalidity to utilise period of three months to approach the appropriate forum. We find from the order framing issue that the order has been made on 19.4.1994 and suit has been ordered to be listed for trial for 25th and 26th October 1995, that is to say, more than 18 months from the date of the order. The defendant did not file any rectification application within three months from the date of order of framing of issues on the assumption that the issue NO. 7 is issue about validity of mark, nor even upto the date fixed for the next adjourned date for trial, namely, 25th and 26th October, 1995. In that event also, the present appellant fails to extricate himself from his own conduct of abandoning the plea during the trial of suit.

Thus viewed from any angle, the appellant must be deemed to have abandoned the plea after raising the same in the suit when the suit is pending trial before the Delhi High Court.

As we have reached the conclusion that once suit for infringement has been filed and plea as to invalidity of mark in question has been raised, the issue can be decided only within the precincts of Section 111 and not otherwise, and we find that the defendant in that suit has abandoned the plea and has lost his right to raise plea as to the invalidity of the mark during the pendency of the suit on the pleadings, his remedy if any is in those proceedings for reviving the plea if the same is based on subsequent events, by approaching the trial court. Else, he has lost his right to sue on that account.

14. In this connection, we may also notice the contention of learned counsel for the appellant that while considering question whether the rectification application is to be entertained on the threshold on the anvil of Order 7, Rule 11 as the procedure applicable to the rectification application is as provided under the Civil Procedure Code, no other document, except the rectification application as it were a plaint can be seen. Therefore, no assistance can be taken by the court while considering the question about maintainability of the application of plaint, written statement, or issues framed in the suit pending in the Delhi High Court, as that is a matter of evidence, and not relevant for

consideration at present.

15. There is no quarrel with the principle that Code of Civil Procedure applies to the proceedings of rectification application, before the High Court. That would include Order 7, Rule 11 as well, which envisage four contingents. Firstly where it does not disclose the cause of action, where the relief claimed is undervalued, and the plaintiff on being required by the court to correct the valuation fails to do it within the time allowed, or where the relief claimed is properly valued, but, plaint is insufficiently stamped, the plaintiffs fails to make good the deficiency in court fee within the time allowed for that purpose, and where the suit appears from the statement in the plaint to be barred by any law. C.P.C. is applicable only to the extent in so far as it is applicable. It cannot also be disputed that for the purpose of considering whether the plaint is to be entertained at the threshold the relevant document is plaint and not the defence. We are not oblivious of the principle that, ordinarily, the court would not look beyond any statement or averments made in the plaint for the purpose of considering whether it does disclose an action or not and whether the suit bears any statement in the plaint on which it can be said to be barred by any law. However that entails looking at what constitute cause of action and the statement made in the plaint invite attraction of which law as to bar its maintainability. The bar to the maintainability is not necessarily confined to law of limitation. It is founded on any other law which may have effect on the maintainability. Where the statement in the plaint clearly indicate applicability of any such law relating to bar as to its maintainability and the material on the basis of which that issue can be decided are contained in a document referred to by the plaintiff and has been made foundation of his claim for his relief such document and statement made thereon as much form part of the plaint, the court is though not to question at that stage, the validity or correctness of the statement contained in the plaint or document attached to it which has been made foundation of the plaint, but is not precluded from looking at the document. Where the the plaintiff instead of making full assertions in the pleadings refers to a document by stating that he relies on statement made therein as part of his claim it would be apt to say that plaint/application coupled with document constitutes full statement of facts pleaded. In such cases the court would be entitled to look at not only to the plaint but also the document referred to in the application as part of his averment, which is not merely a part of evidence.

As we have pointed out from the pleadings, the written statement is part of the application for rectification, which constitutes plaint for the present purpose. It is the statement in the application that respondent is proprietor of a registered trade mark that respondent has filed a suit for infringement in 1989, that he has filed a written statement, that he relies on the statement made on written statement and will be referred to it for his own purposes. These facts emanate from the rectification application. Reading of written statement referred to in application and held out to be produced along with application goes to show that pleading as to invalidity of mark of plaintiff has been raised. The applicability of Section 111 and its affect on its maintainability is clearly exposed from the reading of the rectification application. However, as the statement in the rectification application is not complete by itself and what has been stated in written statement has been left to be read by reading the written statement, then, the court is entitled to read written statement as part of rectification application for arriving its conclusion whether at the threshold it reveals a cause of action which can be entertained, and whether it is barred by any law. Once the applicability of Trade Mark Act is attracted the court would be entitled to see effect of Section 111 which makes it imperative that the issue raised in suit is not decided by the court trying the suit but by the High Court having jurisdiction to entertain rectification application. Section 111 also envisages raising of issue by the trial court on prima facie satisfaction about the tenability of the plea and period within which the application can be entertained. If the facts about filing of written statement has been referred to without disclosing what are the statement contained in the written statement, the only way of reading plaint or rectification application as a complete statement is to read them together to find out whether plea of invalidity of the mark in the suit has been raised or not. The reading of the written statement is further relevant for the purpose whether it disclose necessary ingredient on which rectification application could be maintained at all, in other words the cause of action for maintaining the rectification application. That being so, the plea of the learned counsel for the appellant that the court ought not to take into consideration the written statement to find out whether the plea has been raised or not, cannot be accepted. As a consequence, if on reading of the statement in totality, it goes to disclose that plea as to invalidity of mark has been raised, the next question which calls for consideration is whether issue has been raised or

not. As we have noticed above, raising of issue is not dependent merely on the raising of pleas but on application of mind by the court and rejection of plea results in closure of objector's to raise the dispute by way of a separate rectification application to indirectly set at naught the order referring to raise the issue or on raising of issue within three months thereof or within further extended time the defendant has to file an application. Failure to do so results in abandonment of plea. Prima facie it is for the plaintiff to disclose in his plaint that his application is maintainable and within time. That is to say the plaintiff has not disclosed whether on his raising plea, issue has been raised rejected or pending. Law is well settled that it must appear from the pleadings that suit appeal or application is within limitation. It is not the law that in the absence of facts disclosing the application to be within limitation, it must be assumed to be so for continuing the proceedings. The duty is cast on court under Section 3, even in the absence of plea by the defendant or respondent, to satisfy itself that institution of such proceeding is within limitation. To satisfy that application is within time, the applicant has to show on his averment that it is within limitation. By not disclosing relevant fact, he cannot ask the court to assume existence of such facts in his favour or to entertain the application by contending that to be a matter of evidence. If such an averment is not to be found in plaint that issue has been framed, with or without disclosing the date of such order; no presumption arises in favour of the applicant. On the contrary absence of such averment will also make the application premature and not maintainable. A court cannot satisfy itself that such an application is in their limitation.

In the scheme of things as we have discussed above, unless the application for rectification is pending before the summons of suit for infringement has been served, the application thereafter must come only if the trial court finds on a plea to that effect is raised either in written statement or in some other forms that the plea is prima facie tenable and frames the issue enabling the party raising the plea to approach High Court for deciding the issue. If until service of summons of suit, the person aggrieved has not filed a rectification application in exercise of his right independently, thereafter he cannot resort to first file an application for rectification and thereafter raise a plea of invalidity to bring the case within the purview of clause (i) of Section 111(1). That will be permitting a device to infructuate the very scheme of Section 111

which envisage that except in case a rectification application is already pending once suit for infringement has been filed a party seeking to challenge validity of mark must do so on prima facie satisfaction of the court about its tenability lest a person may be free to resort to frivolous litigation by resorting to successive proceedings on failing in proceeding and results in multiplicity of proceedings. Refusal to frame issue amounts to finding that even prima facie a triable issue does not arise. For failure to file application within time results in abandoning the issue, for maintainability of application in such cases the plaint must disclose that the trial court had on raising of such plea of invalidity has raised an issue to that effect and date on what such issue has been raised. In view of provision of Section 107 read with Section 111 of the Act of 1958, these assertions become necessary part of cause of action itself. Mere filing of written statement awaiting framing of issue also cannot make the rectification application maintainable. It is for the court trying the suit to decide whether the issue is to be tried or not during the pendency of suit. In the absence of any averment as to framing of issue by the trial court before whom plea as to invalidity of mark has been raised, the rectification application will still be not maintainable because in that event the application does not disclose the prima facie satisfaction about tenability and framing of issue which is precondition before trial of such issue through rectification can at all take place. We are therefore of the view, whatever position be taken, the application with written statement read together, even if the order framing issue is not taken into consideration, does not disclose that application is maintainable.

If the statement in the rectification application read with written statement does not disclose that the application is in accordance with the provisions of Section 111, the court would be justified in not entertaining the petition. In the present case, from the statement in the rectification application, it is apparent that a civil suit for infringement of respondent's mark has been filed in Delhi Court in 1989, the applicant has filed written statement. Date has not been given. But that can be read from the written statement which is dated 17.8.1989. Obviously it is a case where no rectification application was pending, at the time of raising of the plea. Else, the question of filing of a rectification application while the first was pending would not arise. Thus, from the perusal of appellants statement in rectification application, a case is made out where issue falls to be considered in the

light of Section 111(1)(b)(ii). In case no issue has been raised, after considering the application, amounting to not finding even prima facie case, in favour of the applicant by the trial court, not requiring any investigation into the issue, the application would not be maintainable. It is only if the court would have found a prima facie tenable issue and raised it that an application could have been filed, the statement in the rectification application does not show that the trial court has found prima facie issue to be triable.

16. In the absence of such pleadings, that the trial court has framed an issue disclosing the date on which such issue has been framed and the time within which the application could have been filed, the court cannot presume on the basis of the statement made in the rectification application that the trial court has granted application and extended time for filing of the application after filing of the written statement. Thus by any process of reasoning, we cannot reach a conclusion contrary to what we have already reached that the applicant is not entitled to maintain an application de hors Section 111 of the Act of 1958.

17. It has been urged by the learned counsel for the appellant that High Court exercising jurisdiction under Trade & Merchandise Marks Act is not a civil court but is a Tribunal as defined under Section 2(1)(x):

tribunal" means the Registrar or, as the case may be, the High Court, before which the proceeding concerned is pending."

18. This contention cannot be accepted. Merely because the term 'Tribunal' has been used to denote conjointly the two adjudicatory forums referred to in the Act. In the context of applicability of Limitation Act, which applies to all applications made to a court, what is relevant is the character resulting from the formation of adjudicatory body and not the provisions under which the adjudicatory functions are assigned to it. If a body has been constituted as a court and has been assigned functions to discharge in additions to its ordinary functions under different enactments, it does not cease to be a court for the purpose of Limitation Act. It only means that the Tribunals which have not been constituted as courts but are constituted under the provision of statute to discharge function assigned under the Act or administrative functions have been entrusted to discharge certain acts under any statute which are quasi judicial. Such administrative bodies or functionaries may have

trappings of court but not courts for the purpose of extending technical rules of limitation. It cannot be argued by any stretch of imagination that High Court which is constituted under the provisions of the Constitution is a Tribunal discharging functions of a court having the trappings of a court but is not a court. It is further apparent from the fact from various provisions that the word 'Tribunal' with reference to High Court has been used only where the High Court is exercising concurrent jurisdiction and is to adjudicate the controversy which may either be raised before it or before the Registrar. But whereas the jurisdiction is exclusively conferred on the High Court, it has been referred to as High Court and not as a Tribunal in the Act itself. The High Court has been named to adjudicate matters arising under the Act as an existing court and not as an authority constituted under the Act, like Registrar is a functionary constituted under the Act. It is further to be noticed in Section 56 itself, while providing for the application for rectification under subsections (1) and (2) of Section 56, making of an application is not to the Tribunal, but it has separately been mentioned that it is either to be made to High Court or to the Registrar. Once application has been made while it refers to decision by either adjudicatory forum it has referred to the decision of the Tribunal. Again while it empowered both the forums to exercise suo motu power of rectification concurrently that is to say, not to any one of it exclusively, the word 'Tribunal' has been referred to. The High Court has also been entrusted the appellate jurisdiction under the provisions of the Act. Obviously it cannot be said that High Court while exercising appellate jurisdiction is not exercising the jurisdiction as a court but is exercising jurisdiction as a Tribunal because of the definition under Section 2(1)(2). It cannot also be assumed for the purpose of appellate jurisdiction High Court is a court but for the purpose of deciding rectification application, it is a Tribunal.

It cannot also be argued that whenever a court is named to decide a controversy arising under a special Act, it discharges function under the Act as a functionary constituted under the Act. The law is otherwise well settled that all applications made to a court under special law are also subject to law of limitation. If that be so, it only denotes that application which are required to be made to a named court under the Special Act, the court does not become an authority or Tribunal constituted under that Act, but remains a court to which application under the Act are to

be made. It may derive its jurisdiction to deal with matter as per the provision of Special enactment but for that reason it does not cease to be a court and become a Tribunal constituted under the Act as distinct from a court.

19. We therefore are of the opinion that the application made under the Special Act, namely, the Act of 1958 when it is made to the High Court it is an application under a Special Act made to the Court and unless excluded by express provision or by necessary implication of provisions of such special law, the provisions of Limitation Act would be attracted.

20. Here we may notice one of the dichotomy which learned counsel for the appellant has pointed out in this instance, under the Act the Registrar is exercising jurisdiction concurrently with the High Court, while law of limitation is not applicable to the applications made to the Registrar as the Registrar is not a court about which fact there is no dispute, for the very same application when made to the High Court, law of limitation would be applicable.

21. This incongruity does appear to be there but in our opinion, remedy thereof lies with the legislature and not with the court. We may notice the circumstance in which this incongruity has come into existence. The Trade and Merchandise Marks Act, 1958 has been enacted in 1958 when Limitation Act 1908 was in force. At the relevant time, under the provisions of 1908 Act, the law of limitation extended only to applications made under the Code, namely under the Civil Procedure Code and it did not extend to the applications made under Special Acts. Thus when the Act was enacted the law of limitation was not applicable to either, whether it was made to High Court or to the Registrar. This was so not because the High Court was not considered as a Court but because of law of limitation did not extend to applications made under Special Acts. However, in 1963, Act of 1908 was repealed and Limitation Act, 1963 came into force. While interpreting Article 137 of the schedule appended, it has been held by the Supreme Court in *The Kerala State Electricity Board, Tiruvananthapuram v. T.P. Kunnaliumma* 1977 SC 282 that under the new Act residuary applications are governed by law of limitation whether the same are made under the CPC or under any special law requiring such application to any court. The only limitation is that the application must be made to the court. With this change in law, all applications which are required to be made to the High Court became

amenable to law of limitation, while the application made to any other authority which is not constituted as a court did not attract the provisions of Limitation Act. That is the situation which has arisen by amendment of law of limitation and the remedy, if any to correct is with the legislation. The court shall have to give effect as the law as it stands.

Dealing with the question of raising plea of invalidity in a pending suit, we are mindful of the fact that ordinarily law of limitation deals with question of limitation for bringing an action, and does not provide for any limitation for raising a plea of limitation as such. However, scheme of Section 111 makes it different. It not only envisages a positive separate action and also the manner and circumstance in which such action can be taken by way of defence.

Once we come to this conclusion that law of limitation is applicable, the next question that calls for consideration is what shall be limitation in the present case?

It is not in dispute that there is no specific article in the schedule which governs the period of limitation for making an application under Trade Marks Act. Hence residuary article 137 shall ordinarily govern the limitation. Whether the wrong is continuing or completed depends upon the facts pleaded. Say for example if the rectification is sought on the ground that registration has been obtained by fraud. Section 17 of the Limitation Act comes into play and period of limitation is to be reckoned from the date fraud is discovered. If the rectification is sought on the ground that it has been granted wrongfully. The date of registration becomes starting point of limitation. On the other hand if it is alleged that continuing of entry on register has become erroneous because it has ceased to be distinctive, different consideration may arise. In each of such case mere existence of such circumstances will not confer locus to file application. In each case such cause must be coupled with cause which makes the suitor aggrieved with continuance of such entry. It is the coexistence of law makes the injury complete and period of limitation commences therefrom. However, in all cases person filing application for rectification must also show that he is a person aggrieved. Under section 56 of the Act only a person aggrieved has right to file the application. Very crucial question that requires consideration is when and which person can be called a person aggrieved. This again may give rise to a

variety of consideration. But in any case once a suit for infringement of a make has been filed, the person against whom such suit is filed certainly becomes a person aggrieved when comes to know of such suit.

In the present case two facts stand out clearly. On that a suit for infringement of trade mark against appellant was filed in 1989, and he was served with summons of suit also in 1989. He must be considered a person aggrieved with continuance of the impugned mark on register at least on that date. Secondly, when he raised plea of invalidity of mark, on whatever count, whether on the ground as are available to challenge the validity of mark which is more than 7 years old in the entry, under Section 32 of the Act of 1958, or because of failure of proprietor to renew the registration under Section 25, or because the original trade mark was obtained by fraud or it was registered in contravention of Section 11, or offends against provision of Section 11 on the commencement of proceedings in which the plea of invalidity is raised or has ceased to be distinctive on the date of commencement of proceedings or that there has been no bonafide use of the mark at least for the period envisaged in Section 46, or for any other reason, which have then come into existence get crystalised into completed wrong and these causes thereafter cannot be construed as continuing wrong, though subsequent act of like nature can in given circumstances furnish a fresh cause of action. Therefore, the grounds on which plea of invalidity of registration of mark, that has been raised or could have been raised on facts existing on the date plea of invalidity of such mark has been raised in the suit will be starting point of limitation for filing a rectification application arising under the plea. No other point can be substituted for it. Whether we take the view, as discussed above, that such application must be filed in accordance with provisions of Section 111 and within time prescribed therein, or by recourse to Art. 137, independent of provision of Section 111, period of 3 years from the date of raising plea in the suit or at best from the date when issues were framed, and assuming that the court refused to frame issues, have elapsed on the date when present application was filed.

However, at this juncture, it has been pointed out by learned counsel for the appellant that the appellant had moved an application for amendment of written statement in the trial court which is pending consideration and the rectification application is founded on grounds some of which have come into existence subsequently, and are part of pleadings sought by

amendment application, expression of any opinion at this stage on the question as to what shall be the period of limitation applicable in the present case may prejudicially affect the consideration of application for amendment on merit inasmuch as the consideration of an application for amendment of written statement at this stage shall also entail consideration whether as a result of such amendment if issue about invalidity is now allowed to be raised, whether such issue shall be within the period of limitation or not.

As in the circumstances, on the conclusion which we have reached above the maintainability of petition at the instance of appellant at this stage, is sufficient for deciding this appeal, we leave the matter at that and further refrain from expressing any opinion on the question whether the rectification application shall still be within limitation or not, if amendment of written statement is allowed.

As a result, the appeal fails and is hereby dismissed.

Looking to facts and circumstances, there shall be no order as to costs.

(Rajesh Balia, J)

(A.R. Dave, J)